

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION



Emons Industries, Inc.

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM

March 18, 1988

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
INTERSTATE COMMERCE COMMISSION
12th and Constitution Avenues, N.W.
Room 2303
Washington, D.C. 20423

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM

Dear Ms. Lee:

INTERSTATE COMMERCE COMMISSION

I am enclosing the following documents to be recorded:

1. Original and a copy of an Agreement dated as of December 29, 1987, between the Maryland and Pennsylvania Railroad Company and Canadian National Railway Company, as User, for two hundred eighty-nine (289) boxcars.

2. Original and a copy of a Security Agreement dated as of January 4, 1988, between Wilmington Trust Company, as Agent/Secured Party, and the Maryland and Pennsylvania Railroad Company.

3. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Bamerilease Capital Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for twenty-five (25) boxcars.

4. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Connecticut Bank & Trust Company as Trustee/Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for ninety-three (93) boxcars.

5. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between E. T. Railcar Corporation as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for one hundred seventy (170) boxcars.

6. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Sigret Leasing and Financial Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company as Lessee, for one (1) boxcar.

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MAR 21 1988 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

Date 3/21/88
Fee \$ 78.00

ICC Washington, D. C.

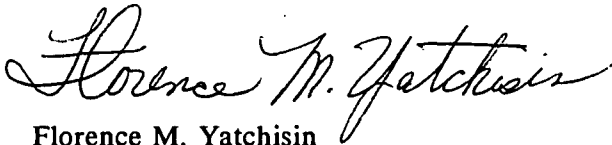
25
93
170
289

Ms. Mildred Lee
March 18, 1988
Page Two

Also enclosed is a check in the amount of \$78.00 (\$13.00 for each document) to cover the costs of filing. I understand that all original documents will be returned to me with the recordation information noted thereon within about a week.

Please let me know if you have any questions regarding this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Florence M. Yatchisin". The signature is fluid and elegant, with the first name "Florence" being the most prominent part.

Florence M. Yatchisin
Manager, Leasing Administration
(717) 771-1722

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

3/21/88

OFFICE OF THE SECRETARY

Florence M. Yatchisin
Emmons Industries, Inc
1 West Market Street
York, Pennsylvania 17401-1231

Dear Sir:

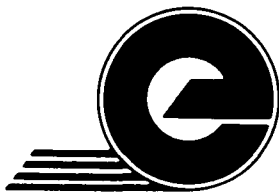
The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/21/88 at 10:30am, and assigned recordation number(s). 15540, 15540-A, 15540-B, 15540-C, 15540-D, 15540-E

Sincerely yours,

Narita L. McLee

Secretary

Enclosure(s)



Emons Industries, Inc.

March 23, 1988

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Room 2303
Washington, D.C. 20423

Sent Via Federal Express

Dear Ms. Lee:

Per your telephone call of March 22, 1988, I am enclosing this revised transmittal letter regarding the documents I previously sent.

I am enclosing the following documents to be recorded:

1. Original and a copy of Agreement dated as of December 29, 1987, between:

Maryland and Pennsylvania Railroad Company
One West Market Street
York, PA 17401 (Sublessor)

and

Canadian National Railway Company
935 de La Gauchetiere St. West
Montreal, Quebec H3C 3N4 (Sublessee)

for two hundred and eighty-nine (289) boxcars.

In connection with the above document, I am enclosing the following related documents:

1. Original and copy of a Lease of Railroad Equipment dated as of January 4, 1988, for 25 of the 289 boxcars between:

Maryland and Pennsylvania Railroad Company
(same address as above) (lessee)

and

Bamerilease Capital Corporation
555 California Street
San Francisco, CA 94137 (lessor)

Ms. Mildred Lee
March 23, 1988
Page Two

2. Original and copy of a Lease of Railroad Equipment dated as of January 4, 1988 for 93 of the 289 boxcars between:

Maryland and Pennsylvania Railroad Company
(same address as above) (lessee)

and

The Connecticut Bank and Trust Company,
National Association
One Constitution Plaza
Hartford, Connecticut 06115 (lessor) ✓

3. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988 for 170 of the 289 boxcars between:

Maryland and Pennsylvania Railroad Company
(same address as above) (lessee)

and

E. T. Railcar Corporation
3224 Skycroft Drive
Minneapolis, Minnesota 55418 (lessor)

4. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988 for 1 of the 289 boxcars between:

Maryland and Pennsylvania Railroad Company
(same address as above) (lessee)

and

Signet Leasing and Financial Corporation
7 St. Paul Street
Baltimore, MD 21202 (lessor)

5. Original and copy of a Security Agreement dated January 4, 1988, between:

Wilmington Trust Company
Rodney Square North
Wilmington, Delaware 19890 (Agent/Secured Party)

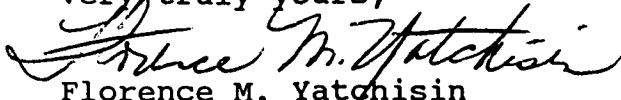
and

Maryland and Pennsylvania Railroad Company
(Same address as above)

Ms. Mildred Lee
March 23, 1988
Page Three

Should you have any questions, please call me. Thank you for your assistance in this matter.

Very truly yours,


Florence M. Yatchisin
Manager, Leasing Administration
(717) 771-1722

Enclosures

AGREEMENT

Agreement made as of this 29th day of December, 1987, between

MARYLAND AND PENNSYLVANIA
RAILROAD COMPANY

One West Market Street

York, PA 17401

(a Maryland and Pennsylvania corporation)

(hereinafter called "MPA")

AND

CANADIAN NATIONAL RAILWAY COMPANY

935 de La Gauchetiere St. West

Montreal, Quebec H3C 3N4

(a Canadian corporation)

(hereinafter called "CN")

RECORDATION NO. 1 5540 FILED 1425

MAR 21 1988 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

1. SCOPE. MPA agrees to and does hereby permit CN to use those certain two hundred ninety (289) railroad cars identified on Schedule 1 attached hereto (hereinafter referred to as the "Cars").

2. TERM. The term of this Agreement shall commence on November 1, 1987, and unless earlier terminated in accordance with Paragraph 7 or Section II, shall terminate October 31, ; provided, however, this Agreement shall be automatically extended on a month to month basis after the initial term until terminated or further amended by either party on thirty (30) days' prior written notice to the other.

3. SERVICE. It is agreed that CN shall keep the Cars in a service which preserves the Cars in Class A condition (per AAR Rule 1, Paragraph 7). CN shall not change such loadings by it without MPA's consent. If damage results from any changes in loadings as provided in this Section, CN shall be responsible for damage resulting from such loadings, and CN shall take reasonable steps to collect from any railroad the amount of damages caused by other railroads to which CN has interchanged Cars.

4. DELIVERY. Since the Cars are currently in service with CN, CN hereby stipulates that the Cars are in good operating condition and in accordance with AAR rules and regulations and are delivered and accepted "as is, where is."

5. MARKINGS. Cars bear and will bear the reporting marks of MPA. Such markings comply with all applicable regulations.

6. RENTALS. (a) MPA shall be entitled to all Car Hire Revenues, as defined in Section II, received by MPA or CN while the Cars are not on the lines of CN.

(b)

(c) There shall be no Canadian federal or provincial income tax withheld by CN.

7. **MINIMUM MONTHLY EARNINGS.** In the event that MPA fails to receive average per Car earnings in an amount not less than (U.S.) per Car per month, on a calendar quarterly basis, including both on line and off line payments, MPA shall have the right to cancel this Agreement in its entirety, or request CN to satisfy any monetary shortfall. CN may elect to satisfy any monetary shortfall within thirty (30) days after receipt of written notice by MPA of such shortfall or MPA shall have the right at its option to terminate this Agreement without penalty.

8. **MAINTENANCE.** (a) CN shall be required to preserve the Cars in good operating condition and in conformance with AAR and FRA rules governing the Interchange of freight cars while the Cars are on CN's trackage or under its control. All repairs whether on or off CN's trackage shall be performed at MPA's expense except that CN shall assume the cost of and pay for any damage to a Car which is caused by cornering, sideswiping, derailment or similar occurrences while on CN's trackage or private trackage served by CN, and will also be responsible for any AAR Rule 95 damage if CN accepts a Car at Interchange and fails to obtain proper protection from the delivering line for any such damage.

(b) CN shall promptly give MPA notice of the need to repair a Car (other than running repairs - those repairs as authorized in the "Field Manual of the AAR Interchange Rules" that can be performed to cars moving in Interchange without the prior approval of the car owner.) when on CN's trackage or of which CN has knowledge that repairs are required. CN shall not perform or cause to be performed any repairs (other than running repairs) or maintenance without MPA's prior consent.

(c) Notwithstanding anything contained herein, MPA may notify CN that it is withdrawing from this Agreement any Car which has been damaged or needs repairs and which would in the reasonable judgment of MPA be uneconomical to perform such repairs on such Car, whereupon this Agreement will terminate as to such withdrawn Car; provided, however, MPA may substitute a car of similar design, age and quality for such withdrawn Car, in which case all of the terms and conditions of this Agreement will apply to the substituted Car.

9. **INSURANCE.** Insurance covering the Cars shall be maintained by MPA, in such form and in such amounts as are customary in the industry; provided, however, that while the Cars are on CN's trackage or under its control, CN shall indemnify MPA as provided in Part II under "INDEMNITIES".

10. **TAXES.** MPA shall be responsible for the filing and payment of all taxes, assessments and other governmental charges of whatsoever kind or character which may be accrued, levied, assessed, or imposed during the Agreement term and which relate to the operation and use of any Car, except taxes on income imposed on CN.

THIS AGREEMENT AND THE EQUIPMENT USED HEREUNDER ARE SUBJECT TO MPA'S STANDARD TERMS AND CONDITIONS WHICH ARE ATTACHED HERETO AS PART II AND MADE A PART HEREOF, AND WHICH SHALL APPLY IN ALL RESPECTS EXCEPT TO THE EXTENT THE SAME MAY HAVE BEEN SPECIFICALLY MODIFIED IN THIS PART I.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

WITNESS:

James White
Secretary
(Corporate Seal)

WITNESS:

(Corporate Seal)

MARYLAND AND PENNSYLVANIA
RAILROAD COMPANY

By: *W. E. Murr*

Title: VICE PRESIDENT

CANADIAN NATIONAL RAILWAY COMPANY *M. J. M.*

By: *B. F. Mitten*

Assistant to Vice-President-Operations *Approved*

Title: - Financial Planning

to form only
Attorney

Marie Thelma Jeanes
ASSISTANT SECRETARY

SCHEDULE 1

DESCRIPTION OF CARS: Fifty-foot, Seventy-Ton, Plate C Boxcars
QUANTITY: 289
CURRENT REPORTING MARKS: MPA

SEE ATTACHED SCHEDULE 1-A FOR INDIVIDUAL CAR NUMBERS

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INIT	NUMBER	INIT	NUMBER	INIT	NUMBER	INIT	NUMBER	INIT	NUMBER	INIT	NUMBER
RPA	31035	RPA	37912	RPA	38108	RPA	39817	RPA	39874	RPA	39973
RPA	31055	RPA	37915	RPA	38109	RPA	39818	RPA	39875	RPA	39975
RPA	31079	RPA	37916	RPA	38111	RPA	39819	RPA	39876	RPA	39976
RPA	37714	RPA	37917	RPA	38113	RPA	39820	RPA	39877	RPA	39977
RPA	37715	RPA	37920	RPA	38114	RPA	39821	RPA	39878	RPA	39978
RPA	37716	RPA	37924	RPA	38115	RPA	39822	RPA	39879	RPA	39979
RPA	37717	RPA	37927	RPA	38117	RPA	39823	RPA	39881	RPA	39981
RPA	37718	RPA	37928	RPA	38118	RPA	39824	RPA	39883	RPA	39983
RPA	37719	RPA	37929	RPA	38121	RPA	39825	RPA	39885	RPA	39984
RPA	37721	RPA	37930	RPA	38122	RPA	39826	RPA	39887	RPA	39987
RPA	37727	RPA	37931	RPA	38123	RPA	39827	RPA	39890	RPA	39989
RPA	37728	RPA	37932	RPA	38124	RPA	39828	RPA	39892	RPA	39997
RPA	37731	RPA	37936	RPA	38125	RPA	39829	RPA	39893		
RPA	37733	RPA	37938	RPA	38126	RPA	39830	RPA	39894		
RPA	37734	RPA	37939	RPA	38127	RPA	39831	RPA	39896		
RPA	37736	RPA	37940	RPA	38130	RPA	39832	RPA	39897		
RPA	37739	RPA	37942	RPA	38131	RPA	39833	RPA	39898		
RPA	37741	RPA	37943	RPA	38132	RPA	39834	RPA	39899		
RPA	37742	RPA	37945	RPA	39035	RPA	39836	RPA	39900		
RPA	37743	RPA	37946	RPA	39780	RPA	39837	RPA	39902		
RPA	37745	RPA	37947	RPA	39781	RPA	39838	RPA	39903		
RPA	37748	RPA	37948	RPA	39782	RPA	39839	RPA	39905		
RPA	37749	RPA	37949	RPA	39783	RPA	39840	RPA	39906		
RPA	37781	RPA	37952	RPA	39784	RPA	39841	RPA	39909		
RPA	37826	RPA	37953	RPA	39785	RPA	39842	RPA	39910		
RPA	37827	RPA	37955	RPA	39786	RPA	39843	RPA	39911		
RPA	37829	RPA	37956	RPA	39787	RPA	39844	RPA	39912		
RPA	37831	RPA	37959	RPA	39788	RPA	39845	RPA	39914		
RPA	37832	RPA	37960	RPA	39789	RPA	39846	RPA	39915		
RPA	37833	RPA	37961	RPA	39790	RPA	39847	RPA	39916		
RPA	37835	RPA	37963	RPA	39791	RPA	39848	RPA	39919		
RPA	37836	RPA	37967	RPA	39792	RPA	39849	RPA	39920		
RPA	37837	RPA	37969	RPA	39793	RPA	39850	RPA	39922		
RPA	37839	RPA	37970			RPA	39851	RPA	39923		
RPA	37840	RPA	37971	RPA	39795	RPA	39852	RPA	39926		
RPA	37842	RPA	37973	RPA	39796	RPA	39853	RPA	39929		
RPA	37843	RPA	37975	RPA	39797	RPA	39854	RPA	39945		
RPA	37847	RPA	37976	RPA	39798	RPA	39855	RPA	39946		
RPA	37876	RPA	37978	RPA	39799	RPA	39856	RPA	39948		
RPA	37879	RPA	37977	RPA	39800	RPA	39857	RPA	39949		
RPA	37881	RPA	37981	RPA	39801	RPA	39858	RPA	39950		
RPA	37885	RPA	37982	RPA	39802	RPA	39859	RPA	39952		
RPA	37887	RPA	37989	RPA	39803	RPA	39860	RPA	39953		
RPA	37888	RPA	37992	RPA	39804	RPA	39861	RPA	39954		
RPA	37891	RPA	37994	RPA	39805	RPA	39862	RPA	39955		
RPA	37892	RPA	37995	RPA	39806	RPA	39863	RPA	39957		
RPA	37894	RPA	37997	RPA	39807	RPA	39864				
RPA	37895	RPA	37998	RPA	39808	RPA	39865	RPA	39960		
RPA	37900	RPA	37999	RPA	39809	RPA	39866	RPA	39961		
RPA	37904	RPA	38100	RPA	39810	RPA	39867	RPA	39962		
RPA	37905	RPA	38101	RPA	39811	RPA	39868	RPA	39963		
RPA	37906	RPA	38102	RPA	39812	RPA	39869	RPA	39964		
RPA	37908	RPA	38103	RPA	39813	RPA	39870	RPA	39965		
RPA	37909	RPA	38104	RPA	39814	RPA	39871	RPA	39966		
RPA	37910	RPA	38105	RPA	39815	RPA	39872	RPA	39970		
RPA	37911	RPA	38106	RPA	39816	RPA	39873	RPA	39972		

Number: 289

No.
15540MAP
Hm

STATE OF Pennsylvania SS
 COUNTY OF York

On this 2nd day of February, 1988, before me personally appeared Richard E. Meyers, to me known, who being by me duly sworn, says that he is a Vice President of the MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ann Marie Wilczek
 Notary Public

(Seal)

My Commission Expires:

ANN MARIE WILCEK, Notary Public
 York, York County, Pennsylvania
 My Commission Expires April 15, 1990

DISTRICT OF MONTREAL)
 PROVINCE OF QUEBEC) SS

On this 29 day of DECEMBER, 1987, before me personally appeared MR. G. F. MITTON, to me known, who being by me duly sworn, says that he is a ASST. TO V. P. - OPERATIONS - FINANCIAL PLANNING of CANADIAN NATIONAL RAILWAY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

M. J. Phippard
 Notary Public

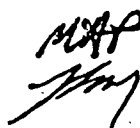
(Seal)

My Commission Expires:

M. J. PHIPPARD
 Commissioner for Oaths
 Commissionaire à l'Assermentation
 Québec-Montreal
 Exp. Dec 12, 1993

STANDARD TERMS AND CONDITIONS

1. ACCEPTANCE AND USE OF MPA'S EQUIPMENT. CN acknowledges the Cars (accepted in accordance with Part I of this Agreement) are in good operating condition, meeting all AAR and FRA requirements for use and movement.
2. RENTAL AND USE CHARGES. Rental and use charges payable by CN for each calendar day (including Saturdays, Sundays and holidays) during which the Cars are in the possession or control of CN shall commence on the date of acceptance by CN or its Agent and shall continue until such Cars are redelivered (or stored by CN for the benefit of MPA in accordance with Section 12 below) to MPA in accordance with this Agreement, or until payment is made of the settlement amounts in accordance with AAR Interchange Rule 107. The specific units of Cars covered by this Agreement as well as the acceptance dates and termination dates of such units, shall be set forth on the applicable equipment inspection/interchange receipts and on MPA's billings, all of which are incorporated herein by reference. The date of delivery of any Car to CN hereunder shall, for purposes of this Agreement, be the date of CN's receipt of such Car in interchange as determined by an interchange report.
3. INSPECTION BY MPA. MPA, its officers, employees and agents, shall have reasonable access to the physical inspection of Cars or records pertaining thereto upon prior written notice to the Chief Mechanical Officer depending upon the nature of the inspection. MPA agrees that it shall not unreasonably interfere with the Cars' movement as a result of any such inspection. CN shall immediately notify MPA of any accident involving any Car or of any attempt to attach, seize or sell any Car, giving MPA such details as MPA shall reasonably request.
4. ALTERATIONS, IMPROVEMENTS, ADDITIONS. CN shall not make any alteration, improvement or addition to any Car without the prior written consent of MPA thereto. Any alteration, improvement or addition made to a Car shall become the property of MPA upon installation without any need to reimburse CN therefor.
5. LOSS OR DESTRUCTION. MPA shall have the right to all and any settlement received by it as a result of any loss or destruction of a Car occurring while on the trackage of CN or others. All such settlements shall be made in accordance with AAR Interchange Rule 107. This Agreement shall terminate as to any such lost or destroyed Car effective on the date of payment to MPA of such settlement.
6. USE OF CARS. (a) So long as CN shall not be in default under this Agreement and subject to the next sentences, CN shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement. It is understood that a bank, financial institution or other party may own any such Car with MPA leasing such Car from such owner, this Agreement thereupon being a sublease, fully subordinate to the lease between such owner and MPA. If any assignment of this Agreement has been granted, the assignee, owner, or purchaser shall have all of the rights of the MPA granted to it in such assignment but none of the obligations of MPA under this Agreement. In connection with any sale, lease, assignment or grant of security interest, CN shall, upon written notice thereof recognize each such assignment, sale, ownership, or security interest and shall accept and comply with the direction or demands given in writing by any such owner, assignee or secured party. CN shall not assert against such assignee, secured party or owner any defense, counterclaim or set-off that CN might have against MPA. CN's rights shall be subject and subordinate to the rights of any such assignee or transferee of MPA or any such owner or purchaser of the Cars, or any bank or other secured party in connection with financing of the Cars.



Upon giving of notice to CN from any such owner, transferee, bank, financial institution or secured party that an event of default by MPA has occurred and is continuing under such financing agreement or arrangement, such party may, at its option, require if such rights have been granted by MPA to such party, that all payments otherwise due to MPA shall be made directly to such party.

(b) CN agrees that, to the extent it has physical possession or can control the use of the Car, such Car shall be used and operated in compliance with the laws of the jurisdiction in which it is located and with all lawful acts, rules, regulations and orders of any governmental bodies or offices having power to regulate or supervise the use of that Car, except that CN may in good faith and by appropriate proceedings or other reasonable manner, not jeopardizing the ownership, use or operation of that Car, contest the application of such act, rule, regulation or order at its expense. CN shall operate the Cars in accordance with its management practices as to railroad cars of its ownership. CN shall not assess any storage charges on the Cars while the Cars are subject to this Agreement.

7. LIENS. CN shall not directly or indirectly create or allow to exist any claim, lien, security interest, or encumbrance with respect to any Car, and shall promptly discharge the same should it arise.

8. SUBSTITUTION OF CARS; EARLIER TERMINATION. MPA shall have the right at any time and from time to time to substitute one or more boxcars of similar design, age and quality upon at least 60 days' notice thereof, all at the expense of MPA both for the displaced Car and its replacement. The parties shall cooperate with each other to effectuate such substitution at a mutually agreeable point without unduly burdening CN's operation hereunder. Upon such substitution this Agreement shall terminate as to the Car being substituted for, and the boxcar substituted in place of that Car shall thereupon become a "Car" for all purposes of this Agreement. The Car so returned shall be in good operating condition, ordinary wear and tear excepted. Any restenciling and/or renumbering costs incurred in respect of such Car shall be at the expense of MPA.

9. DEFAULTS AND REMEDIES. A. Any of the following events shall constitute an event of default:

- (i) nonpayment when due of any amount required to be paid by CN;
- (ii) failure to promptly redeliver any Car required to be returned to MPA hereunder;
- (iii) failure to cure a breach by CN of any term, covenant or condition within thirty (30) days of such breach;
- (iv) CN shall: (i) file a voluntary petition in bankruptcy or file a voluntary petition or an answer or otherwise commence any action or proceeding seeking reorganization, arrangement or readjustment of its debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state, provincial or federal, Canadian or U.S., now or hereafter existing, or consent to, approve of, or acquiesce in, any such petition, action or proceeding; (ii) apply for or acquiesce in the appointment of a receiver, assignee, liquidator, sequestrator, custodian, trustee or similar officer for it or for all or a substantial part of its property; (iii) make an assignment for the benefit of creditors; or (iv) be unable generally to pay its debts as they become due;

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(v) an involuntary petition shall be filed or an action or proceeding otherwise commenced seeking reorganization, arrangement or readjustment of CN's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state, provincial or federal, Canadian or U.S., now or hereafter existing; or a receiver, assignee, liquidator, sequestrator, custodian, trustee or similar officer for CN or for all or a substantial part of its property shall be appointed involuntarily; or a warrant of attachment, execution or similar process shall be issued against any substantial part of the property of CN, and any of such events shall continue for sixty (60) days undismissed and undischarged;

(vi) CN shall file a certificate of dissolution under applicable law or shall be liquidated, dissolved or wound-up or shall commence or have commenced against it any action or proceeding for dissolution, winding-up or liquidation, or shall take any corporate action in furtherance thereof;

(vii) The declaration by any court of competent jurisdiction that this Agreement is null and void or has ceased to be in full force and effect;

(viii) The contesting of the validity or enforceability of this Agreement in any court or in any insolvency or reorganization proceeding by CN or by the Trustee of CN's properties; or

(ix) The subjection of a substantial part of CN's property to any levy, seizure assignment, application or sale for or by any creditor or governmental agency.

B. Upon the occurrence of any Event of Default, MPA may, at its option, terminate this Agreement (which shall not release CN from any obligations incurred through such date or from thereafter paying rentals on the Cars until they are returned to MPA) or seek to enforce CN's obligations hereunder. In either case, MPA may proceed by any lawful means to recover damages for CN's breach including, but not limited to, rentals, transportation and remarketing costs, reasonable attorney's fees and court costs and other expenses; and to take possession of the Cars wherever they are located free and clear of CN's interest. All remedies of MPA under this Agreement shall be cumulative.

10. INDEMNITIES. CN agrees to indemnify and hold MPA harmless from and against all losses, damages, injuries, claims and liabilities of whatsoever nature and regardless of the cause thereof arising out of or in connection with the use or operation of the Cars during the term of this Agreement. MPA shall not be liable for any loss of or damage to any commodities loaded or shipped in the Cars, and CN agrees to assume responsibility for and to indemnify and hold MPA harmless from and against any such loss and damage and from and against any damage to any Car caused by such commodities. The provisions of this paragraph 10 are also subject to the requirements of paragraphs [INSURANCE] and [SERVICE].

11. NO WARRANTIES. No warranty express or implied is made by MPA of the quality of design or manufacture of the Cars. CN acknowledges that it inspected the Cars when received and hereby waives any and all claims against MPA for any damages or injuries to any person or property (including cargo loss) from whatever cause in connection with the use, possession or control of the Cars by CN.

12. RETURN OF CARS UPON TERMINATION. Upon termination of this Agreement as to any Car, CN shall surrender possession thereof to MPA at any point designated by MPA on CN's trackage, at CN's expense. Prior to such return, and should MPA request, CN, at its expense, shall remove the markings from any Car being returned and shall place thereon such marks as shall be reasonably designated by MPA. All Cars so returned shall be free of debris and in good working condition, clean, ordinary wear and tear excepted meeting

all AAR and FRA requirements for use and movement. In the alternative, with respect to any Car(s) redelivered to MPA in a damaged condition, CN shall be liable to MPA for the full cost of any such repairs, including any necessary car movement costs. CN shall further provide MPA ninety (90) days free storage on its trackage for any terminated Car in order to arrange disposal thereof, after which such storage shall be provided at CN's customary rates. In the event that any customs charges are imposed on the Cars as a result of such storage, such charges are for the account of MPA. CN shall use its best efforts to load all newly marked Cars off line if requested by MPA.

13. NOTICE. Any notice required or permitted to be given pursuant to the terms of this Agreement shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, or by courier, addressed to:

MARYLAND AND PENNSYLVANIA
RAILROAD COMPANY

at:

One West Market Street
York, Pennsylvania 17401
Attention: Controller

CANADIAN NATIONAL RAILWAY COMPANY

at:

935 de La Gauchetiere St. West
Montreal, Quebec H3C 3N4
Attention:

Either party hereto may change the address to which notice is to be mailed by written notice thereof to the other. For a notice sent by telex to the MPA addressed as noted above, the MPA's current number is 628-00742; for a notice sent by telex to the CN addressed as noted above, the CN's current number is 055-60519.

14. GOVERNING LAW. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York.

15. AMENDMENTS. Amendments to this Agreement shall not be effective unless in writing and signed by an authorized representative of both parties hereto.

16. SEVERABILITY--WAIVER. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. Failure of MPA to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

17. TERMINOLOGY. In construing any language contained in this Agreement, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

18. DEFINITIONS. For all purposes of this Agreement the following terms shall have the following meaning.

A. "Interchange Rules" - All codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from

time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

B. "Car Hire Revenues" - The hourly per diem and mileage earnings of the Cars prescribed by the car hire rate tables of the Association of American Railroads then in effect.

19. BENEFIT. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their respective successors and assigns, except that neither party may assign this Agreement or any of their rights hereunder without the prior written consent of the other, except as provided in Section 6 [USE].

20. MISCELLANEOUS.

A. Nothing contained herein shall be construed in any way whatsoever so as to constitute or establish a partnership, joint venture or contract of employment between the parties hereto.

B. If the Interstate Commerce Commission ("ICC") or any successor governmental agency, or any other regulatory body or any court shall, at any time:

(i) issue any order the effect of which would cause the Cars to cease earning revenues; or

(ii) reduce the amount of car hire revenue or mileage revenue which the Cars are able to earn as of the date of this Agreement;

CN shall not have the authority to enter into any agreement regarding car hire rates covering the Cars without the prior written consent of MPA and MPA shall have absolute authority in its sole discretion to enter into or refuse to enter into any agreement setting such rates with any other railroad with respect to the Cars.

The MPA shall have the option of either renegotiating new rental terms placing the parties in substantially the same relative positions as existed prior to such order, or terminating this Agreement in its entirety.

C. If the Cars become subject to any order issued by the ICC or any successor governmental agency, or any other regulatory body or any court, the effect of which would be to cause the Cars to incur storage charges while on other railroads, or empty mileage charges while on other railroads, then as of the effective date of such order, CN shall be responsible for paying any and all such charges and fees due other railroads for storage of the Cars or for empty mileage charges due other railroads with respect to the Cars.

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